**Instructions for using the code**

MC.mat is the main file with the code of the simulations for 5 time periods

Loglik2\_T5 is the corresponding log-likelihood function

All the other files are utilities called by the code for the computation of the log-determinant, for computing the standard errors, etc…

To use the code for empirical applications, load the data in the MC file modifying the code including new rows for the number of X and Z variables needed as well as for the number of time periods. At the moment, the MC file just considers one X variable and one Z variable. Then, add them also in the equations in the log-likelihood function.